

EXAMINER'S BANKING PRACTICES SURVEY

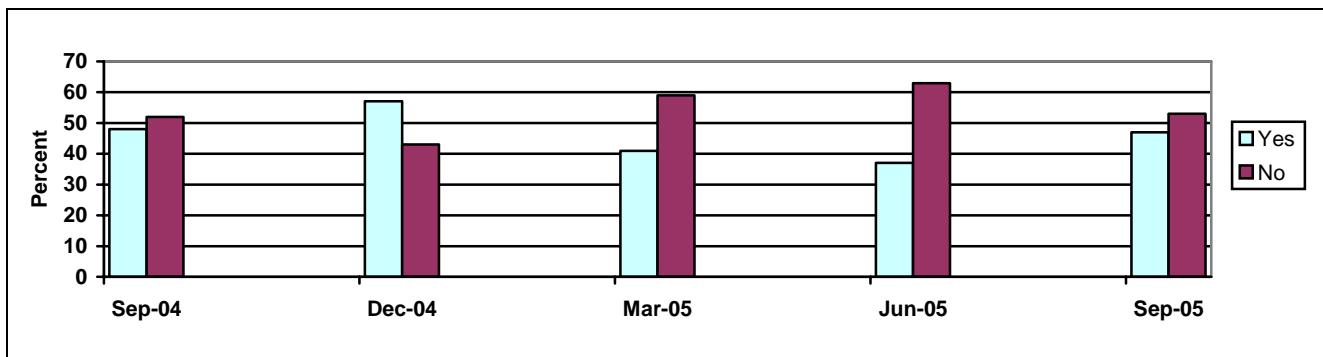
Third Quarter 2005

Division of Finance
State of Missouri

This survey is completed by bank examiners at the conclusion of each examination. **Third Quarter 2005** results are compiled from **32** responses.

LENDING

1. Since the last examination, has the institution significantly increased lending activity in any particular segment of the portfolio? "Significantly" means growth of 20% or more.



Of yes responses:

Loan Type	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05
RE/Const/Land Devel	20%	21%	31%	18%	32%
RE/Agricultural	16%	9%	13%	9%	5%
RE/Commercial/Indust	16%	26%	20%	18%	21%
RE/Residential	16%	10%	13%	12%	13%
Agricultural	16%	6%	8%	4%	11%
Commercial/Industrial	12%	19%	10%	30%	13%
Consumer	4%	9%	5%	9%	5%

2. Is the institution active in making the following types of loans?

	Dec-04		Mar-05		Jun-05		Sep-05	
	Yes 23%	No 77%	Yes 9%	No 91%	Yes 17%	No 83%	Yes 6%	No 94%
Of Yes Responses-Loan type								
Sub-prime/Predatory lending	50%		33%		17%		50%	
Dealer paper	38%		67%		33%		50%	
Low or No-doc bus. lending	0%		0%		0%		0%	
High LTV home eq. lending	12%		0%		50%		0%	

3. Is the bank offering below market interest rates or reduced fees to attract loans?

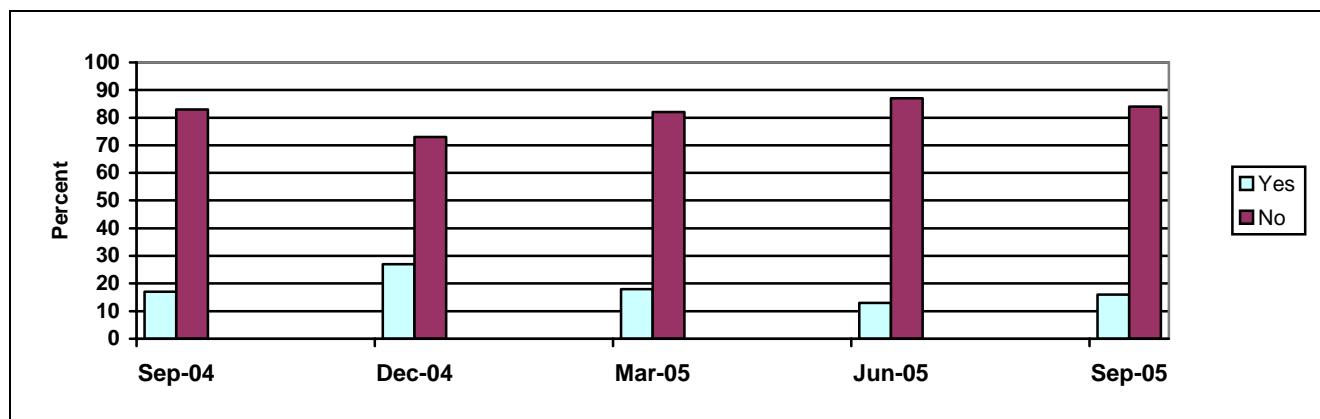
	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05
Yes	0%	10%	6%	7%	3%
No	100%	90%	94%	93%	97%

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4. Does the institution use credit scoring models for loan decisions?

Of Yes Responses - Loan type	Dec-04		Mar-05		Jun-05		Sep-05	
	Yes 10%	No 90%	Yes 15%	No 85%	Yes 20%	No 80%	Yes 19%	No 81%
Credit card	0%		7%		8%		8%	
Consumer	20%		29%		42%		17%	
Residential mortgage	40%		29%		33%		33%	
Small business	20%		21%		17%		25%	
Other	20%		14%		0%		17%	

5. Are there indications the bank is incurring "more-than-normal" risk to boost new loans?



Of yes responses:

	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05
Making collateral based loans?	10%	29%	20%	43%	37%
Reduced collateral margins?	20%	24%	20%	0%	18%
Not requiring cash flow projections?	30%	29%	13%	14%	9%
Liberal repayment terms? (reduced debt service ratios; interest only; deferred, extended, balloon or negative amortization payments)	30%	18%	27%	43%	27%
Waiving guarantees or other documentation?	0%	0%	7%	0%	0%
Other	10%	0%	13%	0%	9%

6. Describe potential risk in current underwriting practices for:

	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05
Agricultural Loans					
Minimal	92%	83%	82%	90%	78%
Moderate	4%	17%	15%	10%	19%
Substantial	4%	0%	3%	0%	3%
Commercial Loans					
Minimal	65%	67%	68%	70%	56%
Moderate	30%	33%	29%	30%	41%
Substantial	5%	0%	3%	0%	3%
Consumer Loans					
Minimal	91%	87%	82%	77%	88%
Moderate	9%	13%	15%	23%	9%
Substantial	0%	0%	3%	0%	3%
Residential Loans					
Minimal	87%	77%	94%	73%	81%
Moderate	9%	20%	0%	27%	16%
Substantial	4%	3%	6%	0%	3%

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7. Differences between actual lending practices and written policies are:

	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05
Agricultural Loans					
Minimal	91%	87%	94%	97%	84%
Moderate	9%	10%	6%	3%	16%
Substantial	0%	3%	0%	0%	0%
Commercial Loans					
Minimal	87%	67%	74%	83%	75%
Moderate	13%	30%	26%	17%	22%
Substantial	0%	3%	0%	0%	3%
Consumer Loans					
Minimal	91%	90%	85%	93%	94%
Moderate	9%	7%	15%	7%	6%
Substantial	0%	3%	0%	0%	0%
Residential Loans					
Minimal	83%	83%	88%	97%	84%
Moderate	13%	10%	12%	3%	16%
Substantial	4%	7%	0%	0%	0%

8. With regard to agricultural loans, describe the potential risk the bank faces from:

	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05
Carryover Debt					
Minimal	78%	90%	88%	97%	84%
Moderate	17%	10%	12%	3%	16%
Substantial	5%	0%	0%	0%	0%
Phase-out of Farm Subsidies					
Minimal	78%	93%	88%	93%	97%
Moderate	17%	7%	12%	7%	3%
Substantial	5%	0%	0%	0%	0%
Drop in Land Values					
Minimal	87%	87%	82%	90%	81%
Moderate	9%	10%	18%	10%	16%
Substantial	4%	3%	0%	0%	3%

9. Has the ratio of Total Adversely Classified Items/Tier 1 Capital & ALLL increased (+) or decreased (-) since the prior examination?

No. Banks with Inc/(Dec) in ratio (%)	Dec-04		Mar-05		Jun-05		Sep-05	
	+	-	+	-	+	-	+	-
Average Inc/(Dec) in Ratio	11.6	(5.8)	8.1	(8.0)	10.5	(6.3)	9.4	(9.0)
Cause of Increase								
Eased underwriting standards	11%		8%		18%		4%	
Deterioration in new loans	15%		8%		27%		9%	
Deterioration in older loans	59%		65%		41%		61%	
Participations or out-of-territory	0%		4%		0%		0%	
Economic conditions	7%		11%		5%		4%	
Changes in lending personnel	0%		4%		0%		0%	
New types of lending activity	4%		0%		0%		4%	
Other	4%		0%		9%		18%	

10. Estimate loan classifications at this examination into the following types:

Loan Type	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05
RE/Const/Land Development	4%	8%	2%	7%	9%
RE/Agriculture	5%	5%	8%	3%	6%
RE/Commercial/Industrial	21%	27%	42%	36%	37%
RE/Residential	32%	30%	14%	26%	25%
Agricultural	4%	4%	4%	2%	3%
Commercial/Industrial	21%	22%	24%	22%	14%
Consumer	13%	4%	6%	4%	6%

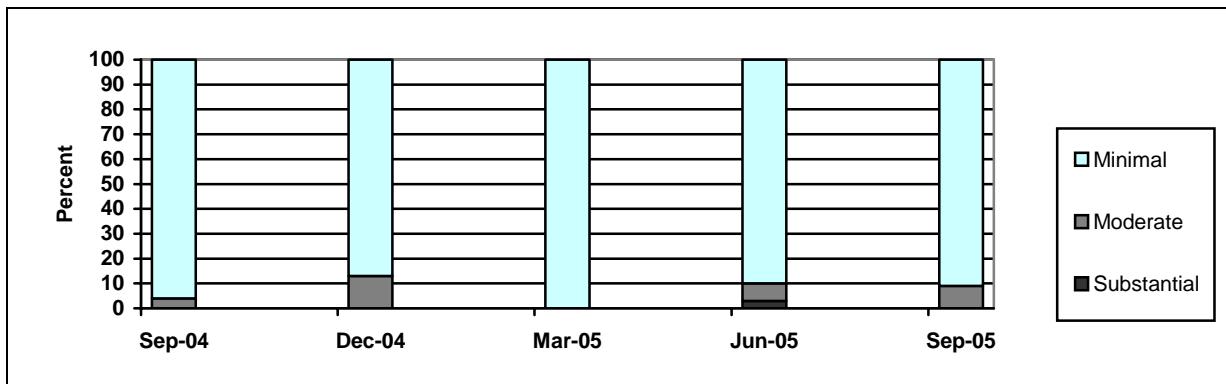
Ratios from March 2005 and forward are weighted by dollar volume of classified loans for all respondents. Prior ratios are an average of percentages from each bank (not dollar weighted).

INVESTMENTS

11. Since the last examination, has the institution purchased securities without understanding the characteristics of the issue?

	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05
Yes	0%	0%	0%	0%	0%
No	100%	100%	100%	100%	100%

12. Differences between actual investment practices and written policies are:



OTHER

13. Has the bank established a borrowing line with FHLB?

	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05
Yes	70%	90%	79%	87%	87%
No	30%	10%	21%	13%	13%
If yes, does the bank actively borrow from the FHLB?					
Yes	94%	89%	70%	77%	89%
No	6%	11%	30%	23%	11%

14. Does the bank hold off-balance sheet derivatives?

	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05
Yes	9%	0%	0%	3%	3%
No	91%	100%	100%	97%	97%

15. List nontraditional activity the institution is engaged in.

	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05
Yes	65%	87%	71%	77%	75%
No	35%	13%	29%	23%	25%
Of those that do:					
Nondeposit Investment Sales	21%	24%	25%	26%	21%
Insurance Sales	15%	6%	14%	10%	11%
Real Estate Loan Secondary Market Sales	23%	24%	21%	26%	23%
Non-transactional Web Site	6%	14%	3%	2%	9%
Transactional Web Site	32%	32%	35%	36%	36%
Other	3%	0%	2%	0%	0%